

SUTTER GOLD MINING COMPANY, U.S. ENERGY CORP., PROPERTY OWNERS, LINCOLN MINE PROJECT, CONSTRUCTION OF WASTE PILES AND EXPANDED MINING OPERATIONS, Amador County

The Sutter Gold Mining Company, a subsidiary of U.S. Energy, submitted a Report of Waste Discharge to reopen an existing underground gold mine near Sutter Creek. The mine will be owned and operated by Sutter Gold Mining Company, while the 1,033 acres of land that makes up the mine property are owned by Sutter Gold Mining Company and a number of other parties. The underground gold mine and mill will generate both liquid and solid waste streams that could pose a threat to water quality. In compliance with Title 27, the country rock and ore will be stored on an engineered lined pad. Following the mill process, the material smaller than a 325 mesh sieve will be discharged to a Group B surface fill unit. The material greater than a 325 mesh sieve will be encased in a 5% Portland cement slurry and placed underground as concrete structural supports.

During the mining process, the groundwater table will be lowered through pumping. This activity will allow the wall rock and the ore zone to react with oxygen, forming oxides. If groundwater is allowed to rise back up, the groundwater will come into contact with the oxidized wall rock and ore zone and will dissolve these oxides. This will cause an increase in salts and metals (such as sulfate and arsenic), degrading the groundwater.

This Order requires the Discharger to: construct waste management units (WMUs) in compliance with Title 27; establish water quality protection standards for each WMU; implement a groundwater and surface water monitoring program; maintain financial assurance for closure and post closure maintenance of each WMU; and dewater the mine indefinitely to prevent groundwater from rising back into the mine and into the surrounding wall rock. Surface water from the property drains to a tributary of the Mokelumne River. (HFH)